



“SOURCE SELECTION”

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PESYSTEMS, INC.



THE PROCESS

- **Is to evaluate contractor proposals**
- **The purpose is to aid the SSA**



THE GOVERNMENT AS A CUSTOMER

- The “process” is as important as the “product.”
- The “process” is inspected, reviewed, analyzed, and tested as much, or more, than the product.
- Violations of the process are often “crimes.”

So

- The defense industry must comply with the “process” and vigorously enforce the rules governing the process.



SOURCE SELECTION

- **Consist of:**
 - **Source Selection Authority (SSA)**
 - **Source Selection Advisory Council (SSAC)**
 - **Source Selection Evaluation Board (SSEB)**
 - **Advisors**



WHERE

- **Performed at Remote location**
 - **10 to 200 people**



HOW LONG

- **Period of performance:**
 - **Release of RFP**
 - **Arrival of Proposals**
 - **Evaluation**
 - **Briefings**
 - **Award**



FLOW

- **Questions: Sort of “informal”, ask for clarification**
 - Technical leveling cost proposal
- **Evaluation Notices**
 - Formal period
 - Disconnect between proposal and RFP
- **Final Formal Proposal or Best and Final Offer (BAFO)**
- **Brief SSA Final Time and Notify Contractors**



ADVISOR ROLE

- **Knows the RFP**
- **Look for:**
 - **Strengths**
 - **Weaknesses**
 - **Risks**



TOOLS OF SOURCE SELECTION

- **Colors:**
 - **Blue - Green - Yellow - Red**
- **Risks:**
 - **Low - Medium - High**



DECISION TIME

- **SSEB Prepares Briefing**
- **SSAC Chairman Briefs SSA**
- **SSA Makes Decision**
- **Congress Notifies Winner**
- **Contracts Release Contract**
- **Losers are Debriefed**
- **Protest?**



THE CHALLENGE

- **Since most contractor people have no Government acquisition experience and most Government people have no industry experience, communication can be frustrating or infuriating, and can lead to anger, mistrust and litigation.**
 - **Contractors may actually do something extra-contractual because a Government person tells him to (this is especially bad if that person has no authority to give the contractor direction).**
 - **Some blue suit folks don't understand that "go fast, go far, carry many bombs, kill many people" is not clear engineering or contractual language.**



THE CHALLENGE

- **Maintain a technically superior Air Force, ensure readiness for short notice deployment, and support a viable industrial base for future needs.**
 - **Given smaller acquisition corps, less oversight, 70% less money, constant reorganizations, shorter technology cycle times, and commercial market forces**

The Only Constant is Change.



ACQUISITION ENVIRONMENT

- **Why Defense Acquisition is Unique**
 - **One buyer, many sellers**
 - **Not profit oriented (from DoD perspective)**
 - **Paid for with taxpayer funds**
 - **Price and quantities determined by Government**
 - **Lots of “checkers” (i.e., tests, lawyers, media, public, etc.)**
 - **Need is threat driven, not market driven**

DoD will not go out of business just for doing poorly. Only if we finish second in a major war!



ACQUISITION ENVIRONMENT

- **Cost, Schedule, and Performance (and Supportability)**
 - **Balancing the 3(4) legs of the stool**
- **Management Framework (decision support systems)**
 - **Requirements Generation System**
 - **Acquisition Management System**
 - **Planning, Programming and Budgeting System**

Effective interaction essential for success.



SUMMARY

- **The RFP evolves into the Contract**
- **Government policy is competition**
- **Cost estimating (yours and mine)**
- **Contract administration (where the rubber meets the road)**
- **Source selection (tough job)**



LOGISTICS

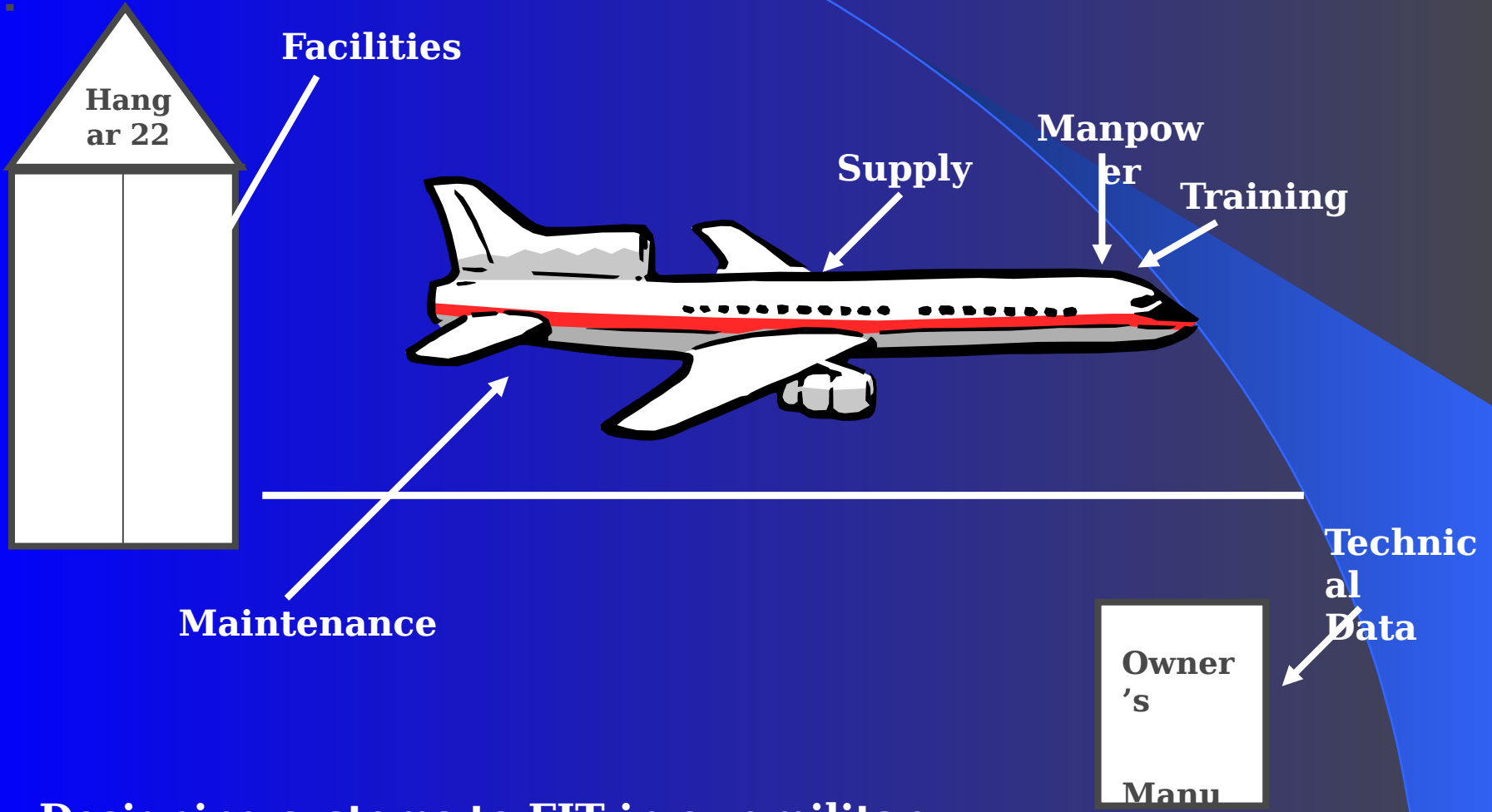
The process of planning and executing the sustainment of forces in support of military operations.

ACQUISITION LOGISTICS: (SYSTEM SUPPORT)

Acquisition Logistics is a multi-functional, technical management discipline associated with the design, development, test, production, fielding, sustainment, and improvement/ modification of cost-effective systems that achieve the user's peacetime and wartime readiness requirements.



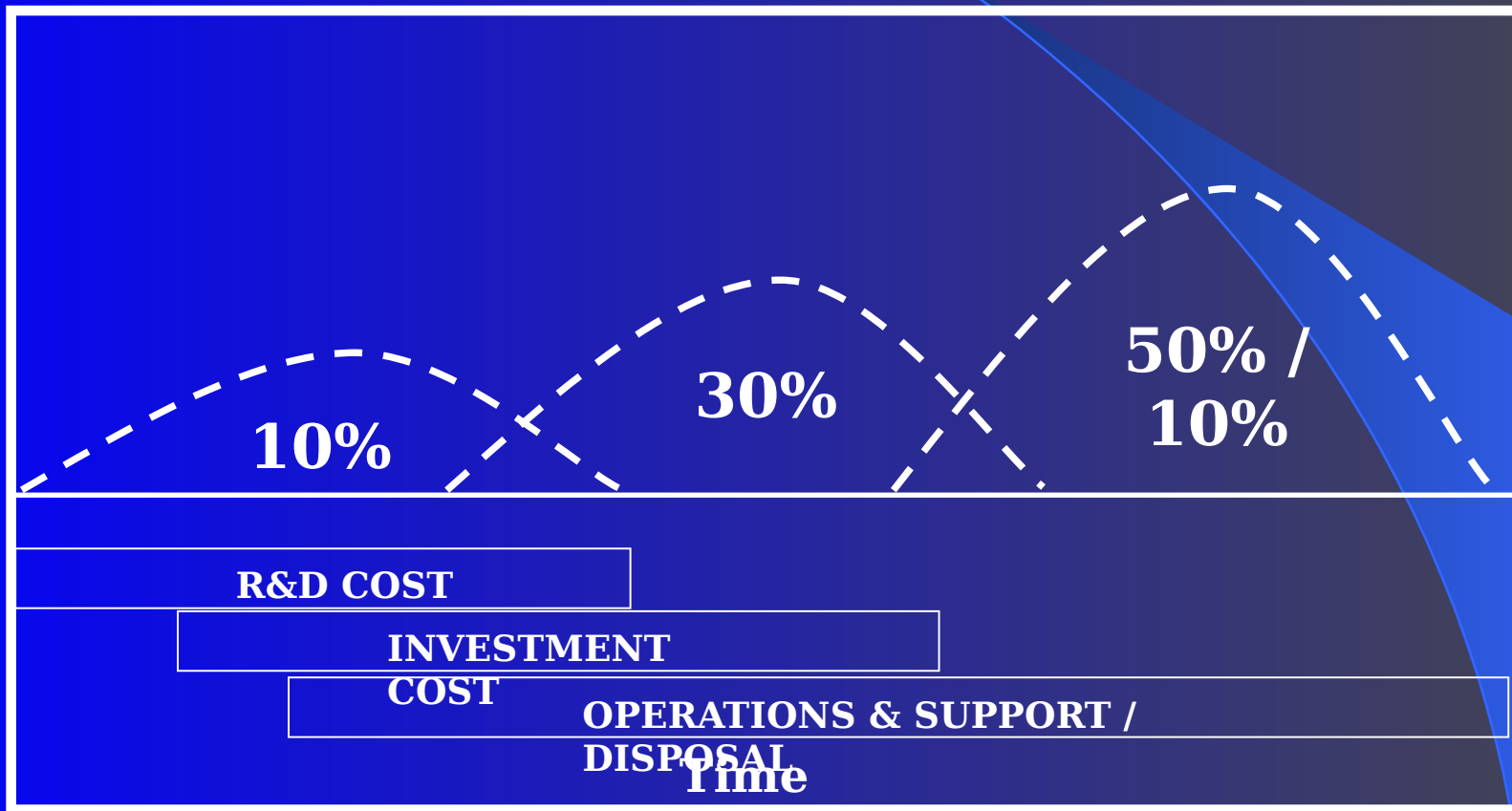
ACQUISITION LOGISTICS



Designing systems to FIT in our military infrastructure.



LIFE CYCLE COST CATEGORIES





HOW DO WE DETERMINE THAT A PRICE IS “FAIR AND REASONABLE”?

- **Price analysis is a comparison of prices for identical or similar items.**
- **Cost analysis is a detailed analysis of all of the elements of cost, plus profit, that make up a price.**
- **Combination of both.**



WHAT DO WE DO IN A COST ANALYSIS?

- **Analyze all of the elements of cost that are included in a price, such as:**
 - **Materials (raw materials, purchased parts, subcontracted items)**
 - **Labor (manufacturing, engineering, services)**
 - **Overhead (for all areas above)**
- **Evaluate the logic used by contracts to estimate unknown costs**
- **How do we get this information?**
 - **By requesting “cost and pricing data”**





DoD CONTRACTING IS CHANGING!

- **Performance based contracting:**
 - **Use Statement of Objectives (SOO) and have the contractor write the Statement of Work (SOW) based on these top level objectives.**
 - **Use Operational Requirements Document (ORD) in place of both SOO and SOW!**
- **These initiatives allow the program office significant flexibility in tailoring contracting strategy to program risks.**
- **Acquisition Reform drives new philosophy.**



SUMMARY

***“Know the procedures,
understand the
people”***

- Tom Bahan

***“Know the
requirements”***

**- Paul
Tofte**